

VZCZCXRO5959
OO RUEHROV
DE RUEHTV #2134/01 2621445
ZNY CCCCC ZZH
O 181445Z SEP 08
FM AMEMBASSY TEL AVIV
TO RUEHC/SECSTATE WASHDC IMMEDIATE 8475
INFO RUEHXX/ARAB ISRAELI COLLECTIVE PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 TEL AVIV 002134

SIPDIS

E.O. 12958: DECL: 06/02/2018

TAGS: [PGOV](#) [PINR](#) [IS](#)

SUBJECT: TZIPI LIVNI SQUEAKS BY TO WIN KADIMA PRIMARY OVER
MOFAZ; SHE HAS SEVEN WEEKS TO FORM A COALITION

Classified By: Political Counselor Marc J. Sievers. Reason 1.4 (B/D)

11. (C) Summary: FM Livni eked out a very narrow victory over Shaul Mofaz, Meir Sheetrit and Avi Dichter to win the Kadima Party primaries by just 431 votes. Pollsters faced a glum morning-after -- what some commentators have called the "Yom Kippur of polls" after exit polls substantially overestimated the extent of her victory. Her 43.1 percent win nevertheless means that she will be able to claim the mantle of party leader without a second round of elections. Once PM Olmert officially submits his resignation to President Peres -- which he has pledged to do, perhaps as soon as September 21 -- the clock starts ticking away at the time Livni has to form a new government. Within a week of the resignation of the Prime Minister, the President must formally ask an MK -- traditionally the leader of the largest faction in the Knesset -- to try to form a new government. Livni will have 28 days, which can be extended by another 14, to cobble together a coalition. Some insiders anticipate that the coalition-forming process may prove difficult for her, and if she fails early elections will follow. End Summary.

EXIT POLLS - WAY OFF ONCE AGAIN

12. (U) Moments before the Kadima Party balloting closed at 2230 local on September 17, exit polls broadcast on all three of Israel's main TV stations predicted a greater-than ten-percent margin of victory for Livni over her closest competitor, Shaul Mofaz. However, participation rates in the primary hovered just over fifty percent of the 74,000 party members eligible to vote, a factor that Mofaz supporters felt augured in their favor. During the afternoon of the 17th, Livni's camp requested an extension of voting hours until 2300 to accommodate a late rush of voters, and the party's election committee comprised by offering a 30-minute extension -- over the objections of Mofaz and Sheetrit. Although pundits generally agreed with the direction of the exit polls, the final official tally was not completed until early on the morning of the 18th. Pro-Livni votes in Tel Aviv helped her narrowly beat Mofaz, who, at one point early in the morning of September 18 was ahead in the official tally, according to Embassy political contacts.

13. (U) PM Olmert called Livni to congratulate her shortly after the exit polls, but she did not claim victory until after the party's elections committee chairman proclaimed the formal results around sunrise September 18. In her speech, she said, "All of the rivals were rivals for a moment. We have new tasks and we'll set out on the road together." Mofaz, whose advisors had reportedly urged him to contest the results, conceded the race, and the rest of Israel's political establishment soon followed with congratulations. One of Mofaz' attorneys, Yehuda Weinstein, told Israel Radio that Mofaz "felt that considerations of leadership and public office took priority over the possibility of winning the appeal." Defense Minister Barak was the last major player to call Livni -- late on the 18th, according to press reports, though some of the Labor Party's other leaders, such as MK

Ophir Pines-Paz, did so much earlier.

SEVEN WEEKS OF SUSPENSE AHEAD

14. (U) Many anticipate that Olmert will tender his resignation to President Peres following the September 21 cabinet meeting. Should this timeframe play out, Peres has seven days to ask Livni to try to form a government. However, should Olmert tarry, President Peres may not be able to do so before he flies to New York to address the UNGA on September 24. In any event, Livni is already exploring options for forming a coalition as soon as possible. Parliamentary procedure allows her an initial 28-day period to cobble together a coalition, but she may need to avail herself of an additional 14 days' extension since the weeks ahead include the period of the Jewish High Holidays during which the Knesset is in recess and the GOI shuts down for almost a month. The 42-day (combined) clock keeps ticking, with no pause for the holidays. In the event that she forms a viable coalition within this period, she must then obtain the Knesset's vote of confidence -- by a simple majority.

15. (C) Israeli commentators are having a field day debating Livni's chances to form a coalition. Her first focus has been on rallying the many voices within the Kadima Party behind her, and Mofaz' concession aids her efforts considerably. Many observers concluded that she has already offered him a plum promotion within the government: perhaps the foreign ministry, and, almost certainly, the position "acting PM" that catapulted Olmert to power and served

TEL AVIV 00002134 002 OF 002

Livni's political ambitions as well. Barak, who confided to an embassy contact that he is concerned that the Kadima reshuffle and effort to form a coalition without general elections will be perceived by the broader public as "illegitimate," is busy brooding about his options. Barak's unofficial spokesperson, MK Shalom Simchon, has come out publicly in favor of early elections instead of remaining in the coalition, but other Labor leaders (MK's Ophir Pines-Paz, Ami Ayalon) want the party to remain in the government. Shas Party leader Eli Yishai, who met with Livni on the 18th to offer congratulations, wants to milk the transition for every shekel he can for his party's priorities: child allowances and state-funding for ultra-orthodox educational systems. The two pensioner parties (one currently in the coalition and one in the opposition), as well as left-wing Meretz, reportedly want to be included as well. Likud leaders continue to reject joining a coalition before new elections.

16. (C) Vice Premier Haim Ramon told the Ambassador September 18 that the close vote gave Livni a weak mandate, and Ramon predicted that she would not be able to form a coalition even if she keeps Mofaz on board the Kadima train. Ramon forecast early elections sometime in the next six months, and said that Opposition leader Netanyahu had a good chance of winning the elections as Livni would not have a strong record of accomplishments during this timeframe. In the meantime, Olmert remains the caretaker prime minister until Livni is able to form a government -- or, failing that, until early elections are held.

Visit Embassy Tel Aviv's Classified Website:
<http://www.state.gov/p/nea/telaviv>

You can also access this site through the State Department's Classified SIPRNET website.

CUNNINGHAM